



**FINAL MINUTES
AS APPROVED NOVEMBER 8, 2005**

**CITY OF SCOTTSDALE HOUSING BOARD
REGULAR MEETING
ONE CIVIC CENTER
3RD FLOOR CONFERENCE ROOM
7447 EAST INDIAN SCHOOL ROAD
SCOTTSDALE, ARIZONA
OCTOBER 11, 2005**

PRESENT: Del-Monte Edwards, Chairman
Joe Priniski, Vice-Chairman
George Leonard, Board Member
Gary Morgan, Board Member
Sheldon Sigismund, Board Member
Michele Swinick, Board Member

ABSENT: George Sutherland, Board Member

STAFF PRESENT: Molly Edwards

1. **CALL TO ORDER/ROLL CALL**

The regular meeting of the Scottsdale Housing Board was called to order by Chairman Edwards at 5:01 p.m. A formal roll call confirmed the members present as stated above.

2. **REVIEW AND APPROVAL OF PREVIOUS OF MINUTES**

September 13, 2005 Housing Board Meeting

BOARD MEMBER LEONARD MOVED FOR APPROVAL OF THE SEPTEMBER 13, 2005 HOUSING BOARD MEETING MINUTES. BOARD MEMBER PRINISKI SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY BY A VOTE OF 6 (SIX) TO 0 (ZERO).

3. **INTRODUCTION OF NEW HOUSING BOARD MEMBERS**

At the invitation of Chairman Edwards, new Board members Swinick and Sigesmund introduced themselves to the meeting.

Chairman Edwards welcomed both new members to the Board. Ms. Edwards reminded the Board and the new Board members of Board protocol and echoed the Chairman's welcome to the new members.

4. **DISCUSSION AND PLANNING FOR UPCOMING HOUSING BOARD RETREAT**

Ms. Edwards reported that Board members had raised the topic of condominium conversions as being of great interest for consideration at the retreat. Board Member Morgan had suggested discussing the Design Day, as well as workforce and senior housing.

Ms. Edwards outlined the plans for the retreat, which will take place on Thursday, October 27 at the Via Linda Senior Center. Lunch will be served from 12:00 to 1:00.

Mr. Ed Gawf, Deputy City Manager, will attend the retreat between 12:00 and 1:30 to discuss revitalization efforts in Scottsdale.

Frank Gray, new General Manager of the Planning Division is being asked to address the Board between 2:00 and 3:00. Staff from the City Attorney's office may also attend to speak on policy ramifications.

There is a possibility that Eileen Rogers or a staff person from the Arizona Real Estate Commission will speak from 2:00 to 3:00. The topic will be condominium conversions.

The time from 4:00 to 5:00 is set aside for facilitated dialogue. Topics to be discussed include: How does the Board want to move forward? Timing, progression and other matters that have been discussed at prior retreats.

Board Member Sigesmund asked whether there is a list of objectives that the Board has sought to attain. Chairman Edwards explained that the retreat is an annual Board event designed to specifically identify the Board's goals and focus.

Vice-Chairman Priniski advised that he will arrive at the retreat at 1:00. Ms. Edwards undertook to send the retreat agenda to the Board Members prior to the retreat. Chairman Edwards indicated that time will be reserved on the agenda for an item that cannot yet be discussed.

5. **CONDO CONVERSION REPORT UPDATE**

Chairman Edwards noted that the sub-committee's work has begun to generate feedback, reporting that he was interviewed for a newspaper article and television news. He had made it clear to the media that the Housing Board's goal is not to clamp down on condo conversions. The Board's goal is to understand the process and how it can impact the process in a positive way. The media

attention has raised the Board's profile. This will be a discussion topic at the retreat.

Chairman Edwards added that he had committed to present a report to City Council by the end of the year. Ms. Edwards noted that Council would like to see a report sooner rather than later and that whatever is determined at the retreat will be important because that information will be used to draft the report to City Council.

Ms. Edwards requested that Board Members to read the sub-committee's report before the retreat and plan to build upon it. She noted that Board Member Morgan has been talking with staff and encouraged that if anyone has obtained any additional research or information regarding the topic, that it should be shared at the retreat.

For the benefit of new members on the Board, Ms. Edwards cautioned that the Board must be careful not to take positions that run counter to what is legally possible.

Board Member Swinick asked whether statistics could be obtained prior to the retreat identifying the supply of apartments that potentially could be converted to condominiums. Ms. Edwards noted that it is difficult to obtain such information as condo conversions are occurring with hotels and motels as well as apartment complexes.

Board Member Swinick confirmed that she is interested in the number of apartment units being converted as this directly affects the housing supply. Ms. Edwards stated that another area to research is how much land is available that is zoned for multi-family housing, noting that zoning variances can be difficult to obtain.

Board Member Sigesmund noted, as a side issue, that as the inventory of units are converted, supply and demand comes into play and rents increase. Newly developed rental units then reflect current costs and the supply of affordable housing is not increased.

Ms. Edwards replied that with any major shift in the market, the ramifications are huge. The Board had seen this trend coming but did not predict the impacts on the Valley community. She looked forward to further in-depth discussion of the issue at the Board's retreat in order evaluate available options.

Board Member Sigesmund asked if any grant or subsidy programs have been identified. Ms. Edwards replied that she has started that research. The Board should identify the issues and the resources that are available. Ms. Edwards strongly suggested that this research be completed prior to the Board's presentation to City Council.

Board Member Sigesmund asked whether the Board would propose a recommendation to City Council regarding some type of a subsidy program. Board Member Leonard remarked that the sub-committee had discovered how little information is readily available. Chairman Edwards confirmed that nothing

has been concluded at this point. Board Member Sigismund expressed the concern that something needs to be done in this area before it is too late. Chairman Edwards suggested that during the retreat the Board might focus on identifying potential sources to assist people affected by condo conversions.

Chairman Edwards reminded Members that the Board is charged with providing information to City Council, who then determines the direction it wants to take. Ms. Edwards explained that the goal of the Housing Board is to provide recommendations about the research to City Council. Council then provides direction to staff. The Board's report will identify that there is a need for these types of programs.

Board Member Morgan inquired as to the process of presenting specific recommendations to City Council. Ms. Edwards replied that she will find out the exact details and will share the information with the Board during the retreat. She noted that this is the first time the Housing Board has taken an initiative to Council.

Vice-Chairman Priniski requested that the information regarding how many condo conversions have occurred to date be provided to the Board. Board Member Leonard said that the information was not tracked in the past, so full figures are unavailable. This is why the emphasis of the sub-committee's report suggested that a database be created.

Discussion ensued regarding the condo conversion process, highlighting that condo conversions are currently approved at the staff level and do not currently require commission or board review and approval. Board Member Sigismund queried the Arizona Department of Real Estate's involvement in the condo conversion process. A public report is required because the units are offered for sale, but the City of Scottsdale does not have those records. Board Member Sigismund suggested that the Arizona Department of Real Estate could be a source of data.

Ms. Edwards explained that condo conversions are a new process for the City and expressed favor in the Housing Board bringing to light the fact that it needs to be addressed. She requested that the Board consider an approval process that they could recommend to City Council.

Board Member Morgan recalled perusing the list of condo conversion applications at the beginning of the summer and was surprised at how many luxury apartments were involved. It was noted that luxury apartments do not affect the supply of affordable housing. Board Member Morgan requested that Ms. Edwards obtain updated statistics from Mr. Deeley.

Board Member Sigismund applauded Ms. Edwards on getting the experts together for the retreat. He wondered whether the Board would have time to get the recommendations put together for City Council. Ms. Edwards noted that the last part of the day is set aside to have that dialogue.

Board Member Morgan asked whether it would make sense to recommend the creation of the database to City Council as an initial recommendation and go

back to Council later with more recommendations. Board Member Leonard suggested going immediately to City Council with a request to have staff set up the database.

Discussion ensued, whereupon Ms. Edwards identified three components to consider: (1) the impact of condo conversions on affordable housing; (2) the City's review and approval process; (3) what help is available to mitigate the problems. She felt that the Board wants to address the first two and move onto the third area after the recommendations have been presented to City Council. The Board would likely need to go before City Council twice; the second time with a results-oriented package based on Council's response to the initial recommendations.

6. **DESIGN DAY AWARDS**

Board Member Morgan reported that in connection with Design Day, consideration is being given to the possibility of presenting an award to homeowners who have made progress on their house. This provides more data to the City with regard to how the Design Day impacted residents and the City can obtain feedback on how the improvements went. The discussion on the agenda is to consider the possibility of establishing the award.

Board Member Morgan added that the Green Building Advisory Committee, a subcommittee of the Environmental Quality Advisory Board, was more involved in the Design Day than the Housing Board. Ms. Edwards expressed the desire to see the Housing Board manage a program. She envisioned that once or twice a year the Board would review submissions, applicants would make presentations before the Board, which would then decide on the recipients.

Board Member Morgan opined that it is a really great idea that would keep the citizens of south Scottsdale involved in the process and encourage physical improvements to the neighborhoods. However, he noted that there would be a great deal of work involving in developing a substantial program that would engage residents and further noted that the Board is concerned about time limitations. Ms. Edwards noted that the Board could build on an existing program. She suggested the possibility of making this an objective for next year, noting that with the timing of Design Day there may not be any submissions to review until the later part of 2006.

In response to questions by Vice-Chairman Priniski regarding the status of citizen projects, Ms. Edwards explained that she was the administrative person who did all of the work for Design Day. Afterwards, she wrote to the residents telling them that in the next couple of years, the Housing Board would be looking at the process and wanted to keep in touch. She asked residents to contact the Housing Board if they planned to actually implement the design on their home. She has the addresses of those who came to Design Day and could write again attaching an application if the Board decides to do this. The Board needs to determine the criteria and how the applications would be reviewed.

Board Member Sigesmund expressed concern with the amount of input needed for what might be a small payoff. Board Member Morgan explained that Design

Day already occurred. Ms. Edwards explained the overall concept regarding Design Day, noting that it is intended to address revitalization rather than affordable housing. The purpose of having an award associated with Design Day is to thank and encourage the residents who implement their projects. The awards program would be an opportunity for the Housing Board to make a meaningful contribution to the revitalization effort.

Vice-Chairman Priniski opined that it would be interesting to recognize families and individuals who have made the effort. Board Member Morgan suggested Ms. Edwards could give some input as to how much effort the Board would have to put into that program. He reiterated his concern about the time needed to craft a prestigious program. Ms. Edwards agreed to put some thought into it and advise the Board via e-mail.

Ms. Edwards referenced the Neighborhood Enhancement Commission's House Beautiful award for yard maintenance. The Housing Board has to be sure not to tread on their territory. Gearing it specifically to the Design Day participants would ensure this.

Vice-Chairman Priniski asked why the Green Building Committee did not undertake this program. Ms. Edwards explained that she wanted to give the Housing Board the opportunity to sponsor the program; however, if the Board is not interested, Green Building would likely initiate the program.

Vice-Chairman Priniski opined that the award program would be good public relations. Chairman Edwards reminded the Board that a decision regarding this matter would need to be agenda-ized for a future meeting and Ms. Edwards noted that there would be opportunities for more discussion on this topic.

Discussion ensued regarding the possibilities of joining together with the Green Building Advisory Board and the Neighborhood Enhancement Commission to facilitate the award program.

7. **CHAIRPERSON'S REPORT**

Chairman Edwards indicated that he would be speaking with Board members individually over the next couple of weeks. He noted that he loves the condo conversion project. He thanked the sub-committee for a job well done. He further stated that when he was reappointed to the Board, he had told City Council that they are dealing with this matter and also want to address workforce housing. City Council appeared to be favorable. Affordable housing will be the next topic after dealing with condo conversions.

8. **STAFF REPORT**

Ms. Edwards reported that the topics had already been covered.

Ms. Edwards explained to the new Board members that there can be no discussion arising out of the Chairperson's and Staff Report.

9. **FUTURE AGENDA ITEMS**

Ms. Edwards informed Board Members that they can raise topics for future agenda items, subject to the Chairman's final determination.

Board Member Swinick pointed out a discrepancy in the meeting schedule. Ms. Edwards clarified that the meetings will in-fact be on Tuesday, November 8th and Tuesday, December 13th. The first Board meeting of 2006 will take place on Tuesday, January 10th. Ms. Edwards undertook to update the calendar for the rest of 2005-2006 with the correct dates and noted that a timeline will be added-in if necessary, following the retreat.

Board Member Morgan suggested that the new Board Members may have input on future calendar items.

10. **OPEN CALL TO THE PUBLIC**

No members of the public wished to address the Board.

11. **ADJOURNMENT**

With no further business to discuss, being duly sworn and seconded, the meeting adjourned at 6:22 p.m.

Respectfully submitted,
A-V Tronics, Inc.